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USSR's 1974 Farm Goals

Canadian Egg Marketing Plan

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This week's cover:

Chicken broiler house in Kitchener, Ontario. Canadian poultry products and eggs specifically are regulated under the National Marketing Agency Act. However, other commodities can be included if producers so desire. See article beginning on page 4.

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USSR's Farm Goals for 1974 Call for Record Output

By ROGER S. EULER
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Following the best farm year on record in 1973, the Soviet Union plans to increase agricultural production to an even higher level in 1974. Basis for the projected expansion will be additional investments in land improvements, fertilizer, machinery, buildings, and other inputs. New farm output plans for 1974 were announced in part following the December meeting of the USSR Supreme Soviet.

The Soviet Union needs another advance in farm output this year in order to keep alive chances for meeting its ambitious 1975 agricultural goals. If necessary, the USSR still appears willing to import feedstuffs for supplementing domestic production to maintain momentum toward the important livestock-production targets.

Gross agricultural production in the USSR is scheduled to increase 6.4 percent in 1974 over last year's record level. This target includes a 7.6-percent increase on State and collective farms, showing that relatively more output is again expected from these farms than from the private plots and livestock holdings of State farm workers and collective farm members. Reaching the overall goal would put farm output about 14 percent higher than the level achieved in 1971, which preceded about a 5-percent decline in 1972 before a big recovery of approximately 12 percent in 1973.

No quantitative 1974 production goals for individual agricultural commodities were revealed, not even for grain as has been done in the last several years. However, output targets for grain and cotton were reported to be higher than the record 1973 results, now claimed to have been 222.5 million metric tons of grain and more than 7.6 million tons of cotton.

Government purchasing goals were announced for the four most important crops as follows (in millions of tons): Grain, 84; cotton, 7.3; sunflowerseed, 5.7: and sugarbeets, 84.8. These were essentially the same as originally planned for 1974, excepting cotton, which previously was 7 million tons. Corresponding targets for 1973, reportedly overfulfilled for grains and cotton, were (in millions of tons): Grain, 81; cotton, 6.8; sunflowerseed, 5.54; and sugarbeets, 82.5.

For realizing the larger farm output this year, an investment of 27.9 billion rubles[1] in agriculture by the Government and collective farms has been planned. This represents about 27 percent of all capital investments for the whole economy and is nearly 11 percent larger than the corresponding investment scheduled for 1973. (The actual amount invested last year has not yet been reported.)

Government investment of capital in agriculture in 1974 has been set at 18.4 billion rubles. This amount was said to be 11.6 percent more than in 1973, indicating that last year's State investment plan was slightly overfulfilled. The planned collective farm investment of 9.5 billion rubles compares to 9 billion allocated for 1973.

State investment in land improvement alone is scheduled to be 6.9 billion rubles, about 11 percent more than was planned for 1973. A major purpose of this investment is to irrigate an additional 2.13 million acres of land, including 637,500 acres of pasture. Much of the newly irrigated land will be in Central Asia, Transcaucasus, Russian Federation, and the Ukraine. Expansion of irrigated vegetable production near large population and industrial centers is to be of primary importance. New drainage of 2.33 million acres also will be provided.

A total of 64.6 million tons of fertilizer is to be made available to agriculture in 1974, 7.6 million tons more than the quantity planned for last year.

[1] Officially 1 ruble=US$1.33. When traded in West European exchanges, however, the ruble is discounted considerably.

The largest part of this increase is to go to areas having relatively adequate precipitation to assure the largest yield increases in growing grains and feed crops.

Machinery supplied to agriculture is slated to increase over the corresponding 1973 numbers by the following percentages—tractors, 8.9; trucks, 11.2; and other agricultural machinery, more than 12. Quality of these machines also is to be improved. The tractors delivered will include more of the largest and newest models. All of the grain combines to be provided are to be the newest and highest capacity models, whereas these accounted for only 20 percent of the total in 1973.

Other new agricultural inputs planned for 1974 include construction of new large-scale poultry units for more than 30 million birds and additional large feeding complexes for 63,000 beef cattle and more than a million hogs.

Actual total investment in agriculture in 1971 through 1973 was said to be about 4 percent more than planned. Tractors, trucks, and fertilizer supplied to agriculture during these years totaled close to plans.

THE VALUE OF gross agricultural output in 1974 is scheduled to "exceed 100 billion rubles." If this means just barely surpassing this amount, it indicates that 1973 gross production was valued at about 94 billion rubles.

Thus, in addition to fulfilling the 1974 target, it will be necessary for the value of gross farm output in 1975 to range between 117 and 125 billion rubles, in order to meet the stated goal of a 20- to 22-percent increase in average 1971-75 production, compared with the 1966-70 average.

This goal does not appear reachable unless the value of 1974 gross agricultural output considerably exceeds 100 billion rubles—a very big challenge.

The 1974 goals for the economy as a whole reflect significant lags in 1971-73 accomplishments despite a rather good overall performance in 1973. National income is scheduled to rise 6.5 percent and real per capita income 5 percent above last year's levels. The former increased 15.2 percent—including 6.3 percent in 1973—during the 1971-73 period compared to the 20.9 percent originally planned.

Real per capita income rose 13.5 percent in the first 3 years of the current 5-year plan, including 4.5 percent in 1973, but was supposed to have in-

Continued on page 16

Soviet farm input plans call for new poultry (top) and hog (below) feeding complexes. Wheat is harvested on a collective farm, above, and sheep herded in the steppes, right.

Canada Establishes First National Farm Products Marketing Agency

By W. ALLAN ANDERSON
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THE CANADIAN EGG Marketing Agency (CEMA) began operations June 1, 1973, as the first national marketing agency established under the Farm Products Marketing Agencies Act (*Foreign Agriculture*, March 20, 1972). Its formation represents 40 years of development in Canadian agricultural marketing legislation.

Farmer organization to increase their influence over product prices has taken two forms in Canada. Early attempts were based on a cooperative approach which failed due to lack of compulsion to join. Farmers remaining outside the plan gained cooperative marketing benefits without paying the costs involved with cooperative membership.

The first attempt to establish national compulsory marketing schemes came with the National Products Marketing Act of 1934. Eight months after it was passed it was declared in violation of the Canadian Constitution on the grounds it restricted inter-Provincial trade. Until the passage of the 1972 Act, all marketing boards operated under authority provided by Provincial legislation in each of the 10 Provinces. Since Provincial marketing boards had no power to limit inter-Provincial or foreign imports their ability to affect prices was limited by the ease with which the commodity they controlled could move into the Province.

Fluid milk marketing boards were quite successful in controlling prices because of the high costs involved in moving milk to markets. Provincial health regulations, which require all premises producing milk to be inspected, further tightened board control on Provincial markets.

In contrast, the lack of authority to control inter-Provincial egg movement severely limited the ability of Provincial egg marketing boards to stabilize and improve farm egg prices. Any Provincial marketing board which attempted to raise its prices above the price in a neighboring Province and transportation costs simply attracted eggs from outside markets, depressing the price. Thus for certain commodities, national marketing legislation was considered necessary to preserve the basic principles of orderly marketing.

The National Marketing Agency Act was not universally accepted by Canadian farmers. Beef producers in Western Canada were strongly opposed on the grounds that the free market was a superior method for selling their product. The act was finally passed in January 1972, when it was specifically limited to eggs and poultry products. However, other commodities can be regulated if producers so desire.

Limitation of production to market demand at prices which provide a profit to producers is CEMA's major goal. Compulsory organizing of producers under the Farm Products Marketing Agencies Act provides the legal authority for CEMA to establish quotas, collect levies, and engage in market stabilization operations.

CEMA consists of producer-elected representatives from each Provincial egg marketing board. It is given its authority by the National Farm Products Marketing Council which is appointed by the Canadian Minister of Agriculture to administer the marketing agencies act. Establishment of CEMA was based on a proposal put forward by the Canadian Egg Producers Council, the official egg producer organization.

Prior to establishment of CEMA, three public hearings were held throughout Canada to determine if the Canadian Egg Producers Council's proposal represented the wishes of producers. Consumers, feed manufacturers, hatchery owners, and egg processors were also given a chance to voice opinions on the plan at this time.

The basic plan that emerged from the hearings provided a target for Canadian egg production of 475 million dozen in 1973. This amount represented the 5-year average of total egg production, including those marketed by producers and hatching eggs. Each Province was alloted a portion of this total on the basis of its average production during the 5-year period 1968-72. Responsibility for meeting the Provincial egg marketing quota was given to the Provincial boards. Quota transfer policies, maximum flock sizes, and minimum pricing authority also remained with each of the Provinces.

Establishment of national production targets and allocation of future Provincial market shares are the responsibility of CEMA. All eggs produced in excess of market demand for shell eggs, but within Provincial quotas, must be disposed of by CEMA. Eggs produced in excess of Provincial quotas are the responsibility of the Provincial board concerned.

Increases in market demand will be allocated to Provinces on the basis of five criteria:

- The principle of comparative advantage of production.
- Any variation in the size of the market for eggs.
- Any failures by egg producers in any Province or Provinces to market the number of eggs authorized.
- The feasibility of increased production in each Province.

Canada Sets New Turkey Agency

The Canadian Government announced December 31, 1973, that the Canadian Turkey Marketing Agency has been officially established as the second such agency to be put into operation under the Federal Farm Products Marketing Agencies Act to provide a national approach to orderly marketing of farm commodities.

All Canadian Provinces have signed the agreement. Production in New Brunswick, Newfoundland, and Prince Edward Island—which do not have Provincial marketing boards—will be unregulated. However, these Provinces produce only 1.3 percent of total output.

The original proposal estimated the 1973 Canadian turkey market at 210 million pounds. Since the Agency was not established in 1973, production for 1974 will be set when closing stocks for 1973 have been determined.

• Comparative transportation costs to market areas from alternative sources of production.

Should quota reductions be required, these must be shared on a prorated basis of the Province's production.

CEMA is presently attempting to establish a formula pricing system. Minimum producer egg prices will be established on the basis of production costs and a "reasonable" rate of return to management, labor, and capital invested in the egg industry. A check on CEMA's power is provided by the National Farm Products Marketing Council. Through the Canadian Minister of Agriculture, the Council is responsible to the Canadian Government which has the ultimate responsibility for balancing policies which restrict production and the producer interest in reasonable prices.

REPRESENTATIVES OF various groups affected by CEMA's policy decisions have an advisory input into the Agency and the National Farm Products Marketing Council. The feed companies, the Canadian Hatcheries Federation, the Egg and Poultry Council, Consumers Association of Canada, Retail Council of Canada, the Canadian Egg Producers Council, and the official Canadian Egg Producers Council publication (*Canadian Poultryman*) are all represented. These groups have nonvoting input into CEMA and may protest decisions to the National Farm Products Marketing Council.

Producers consider that one of the major benefits of CEMA's operations should be to stabilize incomes. The rate of adoption of new technology by egg producers could be slowed as a result. The existence of quotas limits production to producers in the egg industry prior to CEMA's establisment. The requirement that a new producer purchase a quota increases the cost of establishing a new egg production facility, thus protecting existing producers from technological change. Consumers will pay the costs of protecting existing producers through higher prices.

Despite statements by the National Farm Products Marketing Council that the National Marketing Agency legislation does not provide authority to regulate international trade, it appears inevitable this could become a problem area for CEMA when high prices attract large imports. In fact, recently CEMA requested that imports be limited to the same 5-year average covering domestic production.

For example, during periods of low prices and strong supplies in the United States, eggs would move into Canada. Usually a Canadian price of 7 cents above U.S. prices, attracts egg imports and then CEMA would be required to make large purchases of eggs. In times of high U.S. prices, eggs would move out of Canada.

THUS, IT is argued that Canadian consumers would be subsidizing egg producers in times of low prices with no guarantee that their interests would be considered when export demands increase. If imports were to be limited to the average during the previous 5 years (1968-72), approximately 11.2 million dozen eggs would be imported in 1973.

Hatching egg imports would not be affected because CEMA does not exercise domestic control over this sector of the market. Although hatching eggs were included in determining the 475-million-dozen total quota, only those eggs from hatcheries which move into the shell-egg market are subject to quota.

The Canadian Minister of Agriculture has frequently stated his support for national marketing boards, but CEMA is having its problems in organizing the egg trade. First, consumers strongly oppose the granting of absolute supply control powers to a producer group. Too, the Government of Canada, participating in multilateral trade negotiations, is keeping an eye on its position as an advocate of liberalized agricultural trade between countries. No action has been taken on the request for import licensing authority by the Minister of Industry, Trade, and Commerce, who is responsible for Canada's trade policy.

When Canada's position as an egg exporter to the United States reverses, it is expected that CEMA will increase its demands for trade control powers. While CEMA is still very much in its infancy stage, its problems will determine the future of national marketing boards in Canada. Hearings have been conducted regarding a national turkey marketing agency, and a plan for a national broiler marketing agency is being prepared. Other Canadian producers concerned about delegating authority to a national commodity agency are watching CEMA closely to see what benefits it provides for egg producers in Canada.

Poultry farm, left, Berwick, Nova Scotia. Canada's first National Farm Products Marketing Agency provides legal authority for establishing egg and poultry quotas. Bottom, automatic poultry feeder, Ontario. Responsibility for flock sizes remains with each Province under CEMA.

An input-output model, adapted by economists in USDA's Economic Research Service, analyzes the effect of the upsurge in agricultural exports on the U.S. economy.

Farm Exports Vital To U.S. Economic Growth

By DEWAIN H. RAHE
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AGRICULTURAL EXPORTS, from the United States—expected to swell to $19 billion in fiscal 1974—are of vital and direct importance not only to the American farmer, but to many other U.S. industries and to the economic health of the Nation. Providing an outlet for over a fifth of U.S. farm production, strengthened farm exports are benefiting both farm and nonfarm sectors in terms of employment, incomes, and purchasing power. Farm export expansion has been instrumental in improving the deficit position of the U.S. trade balance and has enabled the Government to substantially reduce expenditures for agriculture.

In fiscal 1973, U.S. agricultural exports utilized the production of 85 million acres of cropland, well above the 62 million acres required a year earlier. For most commodities, exports as a percentage of total domestic disappearance climbed to record levels. Over three-fourths of U.S. wheat production moved to export markets in fiscal 1973, as did over two-thirds of the rice produced, about half of soybeans and cattle hides, about two-fifths of cotton and tobacco, and about one-fourth of feedgrains.

As a result of the expansion in agricultural exports, U.S. cropland in production increased 20 million acres in 1973 and a further 9-million-acre expansion is expected in 1974.

About one-eighth of U.S. farm employment can be attributed to exports. A Bureau of Labor Statistics (BLS) study estimates that 479,000 U.S. farm workers were required to produce the level of agricultural commodities that were exported in 1972. Since agricultural jobs for civilian workers 14 years or older totaled 3,819,000, 12.6 percent of all agricultural jobs were considered to be export related. BLS also estimated that 4.1 percent of all jobs in the private employment sector in 1972 were export related.

Since most farm commodities moving in export channels require large capital and land investment but relatively low labor inputs, the impact of the export market on farm employment is relatively less than on land and capital resources. Yet as the BLS estimates indicate, the export market has three times as great an effect on farm employment as on employment in the nonfarm sector of the economy.

"The nearly $5-billion expansion of U.S. farm exports in fiscal 1973 required around $4.5 billion of supporting output from the rest of the economy."

The record total net farm income of $20 billion achieved in calendar 1972 and the over $25 billion estimated for 1973 has been brought about in large measure by the substantial rise in U.S. agricultural exports. In fiscal 1973, for example, an estimated one-fifth of net farm income came from agricultural exports. About one-half of the increase in net farm income in fiscal 1972 resulted from farm exports.

The contribution of agricultural exports to gross farm product—which is equivalent to the contribution of agriculture to U.S. gross national product —was estimated at $5.3 billion in fiscal 1973, well above the $3 billion of fiscal 1972.

The expansion of U.S. agricultural exports has also benefited other sectors of the economy. For example, for every $1 increase in production of feedgrains, wheat, rice, and oilseeds for export, an additional 90 cents output occurs in other sectors of the economy, such as transportation, storage, handling, and marketing. Thus, the nearly $5-billion expansion of U.S. agricultural exports in fiscal 1973 required around $4.5 billion in supporting output in the rest of the economy, which was dispersed throughout nonfarm sectors. As these sectors contribute output, they also receive income. This illustrates the multiplier effect—additional production for expanded markets.

On a gross basis, agricultural exports were responsible for generating an estimated $28.8 billion. Of this, only $11.7 billion occurred in the farm sector. Thus, around 60 percent of gross domestic output supporting agricultural exports occurred in the nonagricultural sector. The food processing sector alone received more than $4.8 billion. Output generated in the transportation and warehousing sectors, and the wholesaling and retailing sectors, was $1.7 and $1.8 billion, respectively.

In fiscal 1973, more than 450,000 nonfarm jobs were directly or indirectly related to the assembling, processing, and distributing of agricultural commodities for export. About 315,000 of these were in the service sector. The remainder were in manufacturing and nonfarm resource-based industries. Specifically, 120,000 were in wholesale and retail trade, 42,000 in food processing, and 43,000 in transportation and warehousing. However, these represent average production and equivalent levels of output.

Several examples may illustrate the importance of agricultural exports to selected sections of the nonfarm economy. The chemical industry sold $3.9 billion worth of fertilizer, pesticides, and pharmaceuticals to the American farmer in 1972, up from $3.7 billion in 1971. In 1971, BLS estimates total exports were responsible for employment of about 6,000 chemical industry workers, while direct exports of agricultural chemicals accounted for only 4,000 jobs. In addition, agricultural commodity exports may have been responsible for as many as 2,000 jobs in the agricultural chemical industry.

In the petroleum industry, U.S. farmers spent $1.8 billion for gasoline, diesel

oil, and other petroleum products to produce farm commodities in 1972. The production, processing, and assembly of agricultural exports in fiscal 1973 required an estimated $458 million of petroleum products or 2.6 billion gallons of gasoline and 1.3 billion of diesel oil.

The expansion of U.S. agricultural exports has had a stimulating effect on the rest of the economy. With additional income, U.S. farmers are able to purchase substantially more household appliances, farm equipment, building supplies, and other capital and consumer goods. As a result, additional purchasing power is spread throughout the total economy. Further, last year's jump in export volume tested the capacity of the production and trade channels. This stimulated investment at critical points in the flow of economic activity, and boosted prices in areas where resources had to be bid away from alternative users.

"... domestic programs, commercial policies, and marketing structure must be geared to maintain the magnitude and growth of foreign demand for U.S. farm products."

The effect of these two forces was evident at numerous points in the economy. For example, expenditures for consumer durables and producer durable equipment increased from $180.7 billion in fiscal 1972 to $203.5 billion in fiscal 1973. The value of sales of wheel-type tractors rose more than one-fifth in fiscal 1973, compared to the previous year. The backlog of covered hoppers on order by Class I railroads, individual shippers, and car companies advanced from 3,300 on August 1, 1972, to 15,200 on August 1, 1973.

Soaring worldwide demand and a tight ship supply have resulted in a sharp upturn in ocean freight rates; rates from U.S. Gulf ports to Antwerp-Rotterdam-Amsterdam averaged $3.54 per ton in the third quarter of 1972 and $10.07 per ton in the third quarter of 1973.

A substantial increase in demand for farm products both in the domestic and foreign market caused the consumer price index for food to rise 7.5 percent between fiscal 1972 and fiscal 1973.

Although it is likely to be a number of years before all effects of the boom in agricultural exports will be apparent and measured, this list provides a preliminary sample of the type and magnitude of the effects on the U.S. economy.

In another important contribution to the U.S. economy, agricultural exports are improving the country's financial position. In fiscal 1973, farm exports—including commercial exports and benefits from Public Law 480 shipments—added a gross $12.3 billion to the U.S. trade balance. After deducting farm imports and special Government program exports, agricultural exports made a net contribution of $5 billion. Agriculture's contribution could increase to a substantial $10 billion in 1973-74, returning the Nation to a favorable overall balance.

Agriculture's contribution to the balance of payments has increased every year since fiscal 1969. If it were not for agricultural exports, the recently deficit U.S. balance of payments situation would be magnified many times.

Another positive effect of farm exports has been a saving in treasury expenditures for domestic farm programs. The substantial uptrend in exports is a principal factor underlying the sharp reduction in the cost of domestic farm programs. Farm programs have been aimed at bringing production in line with domestic and foreign demand.

For the most part, farm support programs have permitted commodities to sell at prices determined in the marketplace, while providing assistance payments to farmers who agreed to take excess land resources out of production.

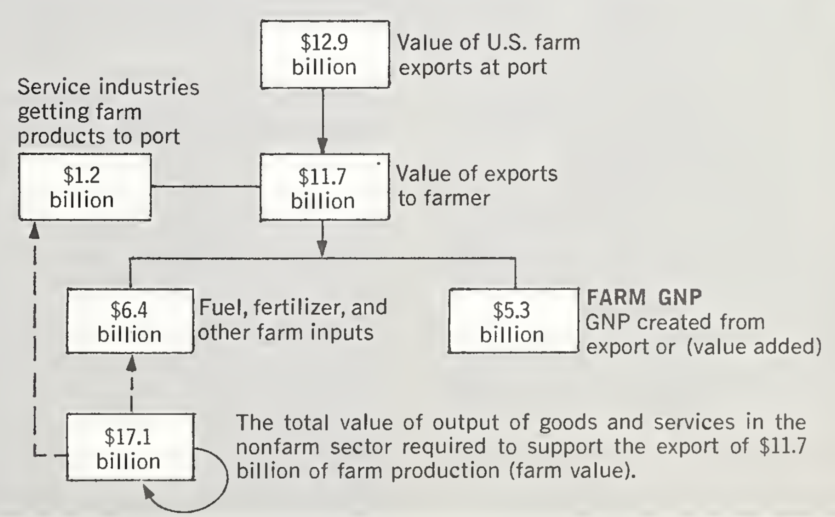
Because of the substantial rise in agricultural exports and changes in the domestic farm programs, the cost of farm programs is expected to decline to less than $1 billion in 1974 from $2.6 billion in 1973, and the $4 billion spent for these programs in 1972.

These programs have also greatly reduced the costs of storage and handling of commodities owned by the Commodity Credit Corporation (CCC). The large and growing export market for U.S. farm products has reduced the quantity of commodities acquired by the CCC. In fiscal 1973, storage and handling costs, excluding transportation, of farm products held by CCC fell to only $69 million, down sharply from the $120 million in fiscal 1972 and the $476 million in fiscal 1960.

In summary, exports of farm products benefited the American economy by providing an outlet for over a fifth of total farm output, created employment for thousands of nonfarm and farm workers, created more income in both farm and nonfarm sectors, helped to improve the U.S. trade balance, and provided a substantial savings in cost and operation of domestic farm programs.

With the significant contribution that U.S. agricultural exports make to agriculture and to the rest of the economy, domestic programs, commercial policies, and marketing structure must be geared to maintain the magnitude and growth of foreign demand for U.S. farm products.

VALUE OF FARM EXPORTS TO VARIOUS SEGMENTS OF U.S. ECONOMY IN FISCAL 1973



World Prices and Reduced Output Cause Food Shortages In Venezuela

MOUNTING WORLD prices for grains and other foods and disappointing domestic production—caused by drought and low domestic producer prices—have created hardships in several segments of Venezuela's agricultural sector. These include shortages of some food staples at the retail level.

The country's goal is to produce sufficient grain (except wheat) for domestic needs with a surplus for export. However, this prospect has been pushed further into the future as output of some grains has either stagnated or dropped off. As demand increased, Venezuela has had to rely heavily on imports of corn, sorghum, and soybeans, most of them from the United States.

The situation in calendar 1973 was further complicated by Venezuela's rapidly growing livestock industry which depends increasingly on foreign feedgrains. Cattle producers were caught in the squeeze between high international grain costs and unsatisfactory selling prices for their own products, a situation that could dampen future growth of the industry.

Wheat millers were caught in much the same price squeeze. The Government permitted them to boost flour prices only from the equivalent of US$6.65 to US$7.35 [1] per 100-pound bag since the beginning of 1973, while the landed cost of wheat jumped well over US$200 per ton during the same period—almost three times its previous level. (All tons are metric.)

Many millers have scaled down wheat purchases—buying just enough to meet minimum needs of traditional customers. This has caused some retail outlets to ration flour and has brought about periodic depletions of stocks.

Venezuela's wheat crop is less than 1,000 tons annually. Consequently, its consumption needs—in excess of 600,000 tons—must be imported.

Between July 1, 1972 and March 31, 1973, wheat imports from the United States amounted to 491,000 tons. Total imports for all of 1972-73 are estimated at 640,000 tons. They are expected to rise about 10,000 tons higher in fiscal 1974.

The drought severely cut Venezuela's 1973 corn production and some observers believe output will be less than 500,000 tons. Because production was down for the second year in a row, it has been necessary for Venezuela to import sizable amounts of feedgrains. From January through September 1973, Venezuela imported 105,000 metric tons of corn from the United States, compared with less than 1,000 tons for the same period in 1972. Total imports in 1972-73 were 130,000 tons.

Corn imports in 1973-74 are somewhat difficult to assess, not only because of the poor outlook for local production but because corn and sorghum are interchangeable in mixed feeds. There is a general preference for sorghum by Venezuela's feed manufacturers so if sorghum is available from the United States at competitive prices, more sorghum will be bought than corn. Conversely, if sorghum is not available or is too expensive, Venezuela's feed industry will shift to corn.

Although Venezuela's sorghum crop is small—some 25,000 metric tons for crop year 1973—continuing efforts are being made to boost production within the next few years. A major Venezuelan feed manufacturer is encouraging farmers to grow what is for most of them a new commodity by offering technical production assistance and agreeing to buy the crop at a preestablished price.

In 1973, approximately 12,300 acres were planted to sorghum under this program, a figure the company hopes to boost to 74,100 acres by 1974.

It is too early to determine the future success of the program, but enthusiasm about its possibilities is spreading and other agricultural officials are examining its potential.

The United States provided imports of 330,000 tons of sorghum in the July 1, 1972-March 31, 1973, period when sorghum was purchased in preference to corn. Total feedgrain import requirements may exceed 500,000 tons in fiscal 1974, with the relative division between corn and sorghum depending on price and availability.

VENEZUELA'S TOTAL rice crop was expected to reach about 250,000 metric tons in 1973 and would have been larger except for the drought. Although this is about 50 percent larger than the previous year's 164,700-ton crop, it is unlikely Venezuela will be able to export appreciable quantities of rice—a longstanding objective—or to divert significant quantities to the country's mixed feed industry.

Supplies of black beans—a staple in the Venezuelan diet—were limited in retail stores toward the end of 1973. Partly affected by the country's low production level, stocks were also reduced by the generally tight world market. However, the 1973 crop was harvested in November and it was estimated production would reach 20,000 metric tons, a bit less than the previous year's. This stock would relieve immediate shortages, but imports will be necessary to insure an adequate long-term domestic supply. —Based on dispatch from

RICHARD L. BARNES
Assistant U.S. Agricultural Attaché
Caracas

Venezuelan women husk corn. Drought cut Venezuela's 1973 corn crop, and it will have to import large quantities of feedgrains from the United States.

[1] **Based on a rate of B$4.280=US$1.**

Bangladesh Faces Uphill Fight To Reenter Export Tea Trade

By CARL O. WINBERG
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Dacca

BANGLADESH TEA—cut off from its former guaranteed market, West Pakistan—must now find export customers for its surplus production. Low quality and poor yield hamper the search.

Prior to independence, Bangladesh (then East Pakistan) supplied the requirements of the two Pakistans, with a small amount going into export. In recent years, tea exports stopped completely as domestic demands grew.

The Bangladesh Tea Board has tried a number of devices proposed in the Government's 1972-73 Tea Party to boost foreign sales, but a year's test has shown some of them to be unworkable or in need of revision.

Looking forward to tea production in 1973-74 of some 60 million pounds [1] from an estimated 110,000 acres, Bangladesh believes the carryover at the beginning of the tea year was large enough to make available 60 million pounds for export, even after the country's 12-15-million-pound domestic requirement was taken care of.

Bangladesh's 1973-74 export target is 18 million pounds more than the 42 million pounds actually exported in the previous season.

In order of importance, with totals in millions of pounds, Bangladesh's top five tea customers in 1972-73 were: The Netherlands, 20.1; the United Kingdom, 8.1; Singapore, 3.6; Poland, 3.1, and the United States, 1.3.

For the 3-year period, 1964-65 to 1966-67, tea production had hovered between the 60-63-million-pound mark but exports averaged only about 4.4 million pounds, as most of the tea went to West Pakistan.

Production trended upward in the past two decades but its rate of growth did not keep up with that of consumption. Between 1967-68 and 1971-72 no foreign sales were made, the entire tea crop being consumed domestically.

Tea production rose erratically from 52.3 million pounds in 1950-51 to 68.7 million pounds in 1970-71. It plummeted to 26 million pounds during 1971-72 when the country fought its war of liberation with Pakistan. During 1972-73, outturn recovered to 53 million pounds.

Total Bangladesh tea production would have been greater in the recent past but for its low average yield, said to be among the smallest in the world, and the age of many of its tea bushes. Some 30,000 acres of the country's 110,000 acres of tea stands are reportedly over 50 years of age. Another 6,000 acres are planted with shrubs 1-2 years old, having a negligible yield.

Bangladesh will have to boost its yield and quality to compete on world markets with other tea-producing countries.

Among the sales arrangements Bangladesh tried to get a stronger toehold in the international tea market has been barter agreements with such countries as Poland, Hungary, Bulgaria, Egypt, Romania, Yugoslavia, the Soviet Union, and Czechoslovakia. However, because some of these countries consume only small amounts of tea, much of it is being resold at a discount, further hampering Bangladesh's efforts to increase sales in other markets.

BECAUSE THESE barter arrangements involve such a large percentage of the countries' tea output, and thereby reduce Bangladesh's chance of making.

Above, a stand of Bangladesh tea. Below left, to reduce loss through contamination, the Bangladesh Government is studying plans to upgrade tea chests.

[1] **All statistics are taken from Bangladesh Government publications. Production and export data prior to 1971-72 refer to East Pakistan.**

hard currency sales, future barter arrangements will be somewhat limited in scope.

Separate tea auctions were held in 1972-73—one for export buyers at Chittagong, the other for domestic purchasers at Sreemongal. However, because of divergent views between producers and exporters, the question of separate auctions is being restudied.

Bangladesh also experimented last season with direct contract sales at a negotiated price based on those being quoted at the London and Chittagong tea markets.

Experience has shown, however, that whereas direct contract sales are a valuable merchandising tool in the case of jute, where Bangladesh has a near monopoly, its use is limited for tea. Future contract sales will be restricted to a percentage of total output, and only when the quoted price is not less than the prevailing price at the Chittagong auctions for the same quality tea.

Limitations have also been placed on future consignments, which had been without restriction under the 1972-73 tea policy. It was found that since better quality teas were also being sent on consignment, hard-currency buyers had shown little interest in accepting consignment shipments of Bangladesh tea. Currently policy is to restrict consignment sales to 10 percent of total production, but they may soon be eliminated entirely.

Ex-garden sales, another sales device tried last year, has also come under fire. Blenders are opposed because bulk tea dealers have entered the trade in large numbers and some were smuggling their purchases to India. Much of this tea is not of exportable quality, and because of its lower Indian selling price, it tends to compete with tea exported through regular channels.

To get tea into the hands of international buyers, the Bangladesh Tea Board planned to send by air from Chittagong a large number of trade samples, some weighing up to 20 pounds each. However, because of the difficulty of making air shipments from that city, few were actually sent. Plans have now been made to send the samples by air from Dacca until arrangements have been made for the receipt of air freight at Chittagong.

The Bangladesh Government is also plagued by other transportation problems that must be solved if Bangladesh tea is to play an important role in world trade. The Bangladesh Government will probably seek a bimonthly two-way flight between Calcutta and Chittagong to enable buyers to attend the auctions and better sea connections between Chittagong and the tea ports of Avonmouth, Liverpool, and London, in the United Kingdom, and Dublin, Ireland.

Although ship space is regularly available for jute shipments, such is not the case for tea. Most tea buyers insist on shipment within 6 weeks of the signing of a contract, but often the exporter is unable to meet such schedules.

Another problem facing Bangladesh tea exporters is the poor condition of tea-shipping chests. Some buyers are reducing their bids by 10-15 percent to compensate for losses incurred by tea contamination. The remedy being considered is for the Government to force domestic chestmakers, under threat of penalty, to manufacture chests that meet international standards. Other recommendations are that the Government provide chestmakers with the proper woods and guarantee that buyers will get chests meeting international specifications.

An effort is also underway to palletize tea shipments to the United States. Although this will be a difficult problem to solve, there being a shortage of lift trucks in the Chittagong port area, the Tea Board recognizes that this is one of the requirements for increased tea trade with this country.

Despite the number of problems now facing the trade, the Tea Board believes that most or all of them can be solved and, with predicted higher output in the future, Bangladesh can enlarge its share of the world tea market. However, to do so may require development of a coordinated and innovative program—perhaps more daring than the current one—that will involve the Government, producers, and exporters.

Peru Adopts Yugoslav Farm Plan

Peru apparently plans to introduce the Yugoslav Kombinat (State farm) system in three areas of the country. Called *complejos agroindustriales,* the farms will be organized on Peru's seacoast with technical and financial assistance from Yugoslavia.

The precise locations of the farms will depend on the results of feasibility studies of six areas, from which three will be chosen. The Yugoslavs making the studies will afterward remain in Peru as advisors to the Government on technical matters.

Each complejos will be pyramidal in form, with a broad base of cooperative units (and possibly some private farms) producing grains and forage for large dairy, swine, and poultry units. Each farm could have as many as 10,000 head of dairy cattle, some 2,000 brood sows, and up to 2 million chickens for both meat and egg production.

Supporting this would be an industrial and processing sector consisting of a dairy plant, a slaughter house, processing units for sausages and cured and canned meats; facilities for handling poultry meat and eggs, and a plant for producing balanced feeds. Distribution offices would be maintained for marketing all forms of processed animal products, as well as distributing some excess breeding stock for reproduction in other areas.

In order to succeed, the complejos will require considerable amounts of technical and managerial inputs, which already seem to be in short supply in some of the country's existing cooperatives.

If the complejos idea is advanced, as many believe it will be, there will be considerable need for breeding stock, technology, and equipment that probably cannot be supplied by Yugoslavia. Ministry officials have already indicated that the United States would be a logical source for the dairy cattle, breeding swine, automatic feeding and watering equipment, grain and forage harvesters, as well as engineering plans and equipment for processing facilities required by the farms.

—Based on dispatch from
Paul Ferree
U.S. Agricultural Attaché, Lima

Argentine Beef Export Shipments Down in 1973—Lamb and Pork Up

High prices increased the value of Argentina's meat exports in January-September 1973, but shipments were off, as producers held cattle back from the market in response to Government ceilings on beef and cattle prices. Bigger shipments of lamb and pork failed to compensate for the lower exports of beef, as well as of horsemeat.

For all of 1973, beef exports are expected to be down, while shipments of lamb should double, and those of pork triple.

Cattle marketings are expected to pick up over the next few months. Cattle conditions are improving from excessive rains which created more favorable pastures. However, the degree to which cattle marketings improve will depend upon producer expectations regarding lifting of ceiling prices. The run of spring lambs has begun and will continue for the next few months. Hog slaughter is expected to fall off if corn prices remain at current levels and more beef becomes available.

In an effort to get more cattle to market at Liniers—and thus more into the Greater Buenos Aires area and into export channels—the Government in late October reduced the sales tax on live cattle at Liniers Market by 4.35 percent A few days later it prohibited packing plants from purchasing cattle direct from ranches except those plants operated by the Government—Swift, FASA (Frigorifico Argentinos S.A.I.C.), and CAP (Corporación Argentina de Productor de Carnes-Cap-Cuatreros)—and those exporting beef to West Germany. Stiff fines were levied against packers violating either slaughter quotas or prices.

These measures stimulated a prompt jump in cattle receipts at Liniers to about 9,000 head daily during the second week of November, compared with weekly receipt of 9,000-15,000 head during the first 4 weeks of October. In its action the Government may also have reversed a trend which since mid-May has kept weekly cattle receipts at Liniers Market below 52,000 head.

For the January-September period, beef export shipments (carcass weight equivalents) dropped 13.4 percent from the corresponding period in 1972, although high prices sent the export value to nearly $510 million, some 23 percent above that of the same period in 1972. Beef exports in September fell to 35,000 tons from 50,000 tons in August, and were the lowest since April 1971.

The product mix of beef exports changed significantly during January-August 1973, compared with the same period of 1972. During the 1973 period, cuts accounted for 48 percent of the total shipments as compared with 36 percent in the 1972 period. The proportion of quarters and canned meats decreased in 1973 while cooked frozen and manufactured-type beef maintained about the same position in the product mix.

Also down was cattle slaughter, expected to drop to 9.5 million head in 1973 from 10 million the previous year, and beef production to 2.1 million tons.

The fall off in marketing and slaughter pushed cattle herds to 55.5 million head in mid-1973, up about 6 percent over 1972 herds. Contributing to the increase were advancing prices and improved pasture conditions, factors which helped to up sheep and hog numbers.

A recent report from Dalton Wilson, U.S. Agricultural Attaché at Buenos Aires, gives these figures on sheep and hogs.

Sheep. Most recent official estimate on sheep numbers was 44.3 million head in mid-1969. By mid-1972 totals fell to about 40 million, but an improvement in wool prices and reduced slaughter in 1972 and the first half of 1973 indicate that numbers on June 30, 1973, had moved up to around 44 million head.

Sheep slaughter in 1972 totaled 7.3 million head, down 25 percent from a year earlier; lamb slaughter was off by the same percentage. Based on sheep marketings for the first 8 months, sheep slaughter and lamb production in 1973 are forecast at 5 percent less than a year earlier.

Hogs. In mid-1973 hog numbers increased to around 5 million head, up 11 percent from the previous year. Favorable prices and reduced availability of beef prompted the increase in hog production.

Hog slaughter in 1972 totaled about 3 million head, up only slightly from a year earlier. Pork production was off 2 percent, reflecting lower weights.

Hog slaughter in 1973 is expected to total 3.35 million head and pork production will probably exceed that of a year earlier by 10 percent.

Prices for beef, lamb, and pork meanwhile marched to different drums, responding to Government regulation and market pressures.

On May 29, the Government put a maximum price of 4.50 pesos[1] per kilo (approximately US$20 per hundredweight) for all cattle at Liniers. This represented a 15-percent reduction from the free market price of a day earlier. On June 6 orientation prices were set for different types of cattle and ranged from 2.50 pesos per kilo for cull cows to 4.50 pesos for young calves. At the same time, maximum prices for carcasses delivered to butcher shops were set at 6.90 pesos per kilo. These prices are still in effect.

Prices of sheep, lamb, and hogs rose steadily until April 1973, then dropped somewhat. However, in August sheep prices were still nearly 70 percent above those of August 1972, and wholesale and retail prices of lamb were 61 and 48 percent higher respectively. Wholesale prices for hogs in August 1973 were 51 percent higher and retail prices 66 percent. During this time prices for sheep, lamb, hogs, and beef were unrestricted by the Government.

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[1] **Converted at 10 pesos=US$1.**

Irish Lamb Prices Up, Volume Declines

Irish sheep and lamb producers and exporters have ended what has been an extremely good year. Export demand has held lamb prices at record levels, and instead of declining seasonally from May to a low in November, they stayed at high spring levels throughout the year. There was some dropoff in volume, however.

Whereas in 1972 beef prices were higher than those of sheep meat, the reverse was true in 1973. As of November 3, 1973, slaughterhouses were quoting 77-82 U.S. cents per pound deadweight for lambs under 50 pounds carcass weight, compared with 50-53 cents per pound at the same time in 1972. Prime beef was selling in 1973 at the intervention level and farmers were paid about 50-53 cents per pound deadweight.

Aiding lamb's firm price position was the length of the French marketing season. Instead of closing to Irish exports in later summer, the market remained open all year.

Demand for lamb meat is getting stronger in most Continental countries, outstripping production, but the United Kingdom has restricted live animal exports to the Continent. In addition, recent Australian and New Zealand currency revaluations and the dampening effect of U.K. membership in the European Community on lamb meat exports to the United Kingdom by Australia and New Zealand are also operating in favor of Irish trade.

Ireland's exports of lamb meat and live sheep, however, were running slightly less in 1973 than those of the previous year because of a slight decline in numbers on farms. Exports of live sheep to all destinations except Northern Ireland, for January 1-October 7, 1973, were 34,900 head, compared with 42,600 head in the same period in 1972. Slaughterings, based on export licenses issued during the 1973 period totaled 601,000 head, compared with 612,000 head during these same months the previous year.

Ireland is breaking new ground in Belgium and West Germany, and the Irish Livestock and Meat Board said it expected to sell four to five times more lamb in Germany in 1973 than the previous year's total of 696,000 pounds sold to that market.

French Breeders Import U.S. Holsteins

With about 30 percent of their cattle population in Holsteins, French breeders have shown increased interest in the United States as a source of high milk-producing animals. An initial purchase of a planeload was made in December 1972, followed by a shipload in May this year and another in October. Altogether, more than 500 U.S. Holsteins have found new homes on French soil.

To advertise the presence of these cattle, the Holstein-Friesian Association of America, with the assistance of Cofranimex (the French agency responsible for their import), will mount a live animal exhibit at the Paris Agricultural Show to be held early in March 1974. Only Holsteins will be exhibited.

The high milk-production capability of U.S. Holsteins is particularly attractive to the French dairy industry, which is striving to raise the genetic capability for milk production in French Holsteins while retaining the present beef qualities. Consequently, prospects are good for continued import of limited numbers of U.S. Holsteins.

Italy has been the largest European customer for U.S. dairy breeding stock, taking 3,833 head in the first 10 months of 1973 and averaging 335 head a year between 1969 and 1972.

Paris Abattoir To Close

La Villette, central slaughterhouse of Paris, will be closed in March 1974, according to a French Government announcement. The abbattoir was constructed between 1964 and 1967 at a total cost of US$183.7 million. Although the complex is capable of processing 120,000 tons of meat annually, its capacity was never more than a third utilized. The resulting high operating cost is reportedly responsible for the plant's closing.

La Villette, which could be termed the Chicago stockyards of France, underwent its largest expansion at a time when the emphasis was on large centralized stockyards.

Japanese Turkey Restaurant Opens

A restaurant that offers its clientele a unique variety of dishes recently opened its doors in Sapporo, Japan. Called the Wishbone, the new eating place has many dishes similar in outward appearance to some of those available from other restaurants, with one exception—U.S. turkey is used in practically all of the Wishbone's food items.

Located in the downtown business section of Sapporo, the Wishbone caters mostly to office workers, offering them such luncheon specialties as turkey curry, turkeyburger, and fried turkey, in addition to roast turkey.

With promotional assistance from the Tokyo office of the Poultry and Egg Institute of America (PEIA), the Wishbone has introduced whole turkeys as a takeout item. One whole roast-turkey-to-go can cost up to $30. Half turkeys are also available to customers.

The Wishbone restaurant is the first of its kind in Japan, but its success may well inspire similar ventures in other major Japanese cities.

Prior to 1969 turkey was largely unknown to a majority of Japanese consumers. During 1970, a cooperative promotional effort between PEIA and a Tokyo meatpacker resulted in large-scale introduction of turkey to the Japanese. Although the total import market for turkey is still relatively small (averaging about 600,000 pounds annually between 1970 and 1972), it is growing each year and becoming more diversified. Turkey meat shipments, January-November 1973, totaled 896,000 pounds worth $481,000.

Now, for example, many U.S.-processed, specialty turkey items are being sold in Japan—some for the first time. Such products as turkey rolls, smoked breast, turkey salami and bologna, and liver paste are now available to consumers in "world meat shops" in the food sections of many leading Japanese department stores.

Chicken items continue to make up the bulk of U.S. poultry exports to Japan, but prospects for turkey items appear bright.

CROPS AND MARKETS

FATS, OILS, AND OILSEEDS

Philippine Coconut Products Exports Show 11-Month Drop

During January-November 1973, Philippine exports of copra and coconut oil totaled 839,500 metric tons (oil basis) —17 percent below the comparable 11-month period of 1972. The reduction reflects an earlier 21-percent decline in rainfall in the major producing areas.

The 176,500-ton shortfall is equivalent to the oil fraction of nearly 37 million bushels of soybeans. Philippine availabilities of copra and coconut oil are expected to continue to decline until the third quarter of 1974.

In 1972, Philippine exportable supplies accounted for nearly 60 percent of world exports of lauric acid oils. Although there have been reports of delayed shipments due to the shortage of bunker oil, Philippine exports in November at 74,600 tons (oil basis) showed no evidence of this. However, there are indications that oil shortages may be a factor in subsequent months.

Yugoslavia To Build Soybean Processing Plant

A new soybean processing plant will be built at Vukovar with annual capacity of 150,000 tons, according to Yugoslav press releases. The plant is planned to be completed by the end of 1976 and will reportedly cost an estimated US$12.3 million. (Din15=US$1.) Necessary equipment will be supplied by a U.S. firm. The project will be financed by 12 agricultural kombinats located in surrounding areas. The first 25,000 acres out of the 198,000 acres projected to be in production by 1978 will be planted to soybeans next spring by these kombinats.

Brazil Not Likely To Import Soybean Oil

A report from São Paulo says that, based on regulations regarding peanut exports announced by the Bank of Brazil (CACEX), it is now unlikely that Brazil will import sizable quantities of soybean oil before the April-May harvest of the 1974 soybean crop.

In its December 14, 1973, announcement, CACEX suspended all exports of crushing grade peanuts from December 1973 through November 1974 and suspended exports of edible grade peanuts through May 1974. After that time shipments will be limited to the volume of the corresponding period of 1973.

Peanut oil exports, although not officially embargoed, are effectively halted by other regulations. Export restrictions should lower internal prices for the February-March 1974 "wet season" peanut crop, now forecast at 430,000-450,000 metric tons (unshelled basis). The entire wet season crop would therefore be utilized internally and provide the additional 40,000 tons of oil required to maintain consumption.

Argentina's October Meal Exports Down; 10-Month Total Is Up

Combined Argentine exports of oilseed cakes and meals during October 1973 dipped to 18,900 metric tons (soybean-meal equivalent). This was the smallest monthly volume since the 15,000 tons exported in October a year earlier. However, aggregate meal exports for the January-October 1973 period, at 572,500 tons (soybean-meal equivalent), were more than double the volume for the comparable 10 months in 1972.

The increase is equal to the meal fraction of nearly 15 million bushels of soybeans.

Based on current indications, Argentina's meal exports could increase in 1974 from the 1973 volume. The expected jump reflects anticipation of sharply increased soybean meal output from the 1974 crop.

LIVESTOCK AND MEAT PRODUCTS

U.S. Meat Imports Up 9 Percent in November

Imports of meats subject to the Meat Import Law (fresh, chilled, or frozen beef, veal, mutton, and goat meats) totaled 130 million pounds in November 1973—9 percent more than imports in the same month of 1972. Increased entries from Australia more than offset lower arrivals from most of the Central American countries, Canada, and Mexico. Cumulative imports subject to the law through November were 1,245 million pounds—1 percent below a year ago.

U.K. Beef Output Up

U.K. beef production is expected to rise in 1974. The United Kingdom's Meat and Livestock Commission expects total production to jump 16 percent to 2,248 million pounds.

The North Scotland College of Agriculture forecast production at between 2,235 million and 2,271 million pounds.

The Commission estimate is based on: Increased heifer slaughter due to slower herd expansion; unchanged Irish store imports; a continued ban on live exports; a more normal cull rate; and a substantial increase in steer and heifer slaughtering as the larger U.K. calf crop of the past 18 months comes to market.

El Salvador Resumes Beef Exports

The Government of El Salvador has authorized resumption of exports of chilled and frozen beef. Two export slaughter plants began operations immediately.

The Ministry of Agriculture okayed the slaughter of 7,000 head (3,500 head per plant), requiring a minimum slaughter weight of 800 pounds for upgraded animals and 700 pounds for criollo animals.

The Government expects an average weight of 850 pounds and a 38-percent boneless yield, for a total of 1,130,500 pounds for each plant and a grand total for the period between November 13, 1973, and year's end of 2,261,000 pounds.

If this proved to be correct, the country would have shipped a total of roughly 9.8 million pounds.

Establishment of a quota on the basis of number of head previously slaughtered rather than on total weight will offer the export plants an incentive to slaughter heavier animals. Also, since the export plants tend to set the sales price for all good cattle in the country, this should result in a general effort to upgrade cattle there. Increased demand for U.S. breeding cattle may result. While the preferred breed is Brahman, there is a growing interest in Charolais and Angus.

U.K. Farmers' Union Sees Meat and Dairy Shortages

The U.K. National Farmers' Union has forecast that in early 1974 the United Kingdom will be faced by shortages of meat and dairy products.

Rising costs being experienced by the dairy sector, said the Union's president, are bound to be reflected in an increase in slaughterings of dairy cattle, causing a shortage of dairy products in the coming months. Elsewhere in the meat sector, high feeding costs have led to a sharp increase in the rate of pig slaughtering which will inevitably effect 1974's supplies of pork and bacon.

Other factors worrying the Union include the possibility of oil and gasoline rationing and the even higher interest rates which were announced recently. Union officials met with representatives of the petroleum industry to ask priority rating for farmers in the event of rationing. The Union states that other farmers are suffering from shortages of fertilizer and spare parts for agricultural machinery.

SUGAR AND TROPICAL PRODUCTS

Late Rains Hamper Australian Sugar Harvest

With almost monotonous regularity, rain continued to hamper harvesting of Australia's 1973 sugar crop during December. The rain not only delayed harvesting, but depressed sugar content that was already considerably below that of recent seasons.

To November 24, 1973, 16,162,013 tons of cane had been crushed by the 31 Queensland mills out of a crop estimated at 19,647,000 tons. To the same date, the three New South Wales mills had crushed 800,314 tons of an estimated 1,070,000 tons available.

Australia Taxes Honey Exports

Australia's honey exports will be taxed for the first time under legislation before Parliament. Initially the rate will be 0.3 cent per kilogram but this can be raised to 1 cent. The money will be turned over to the Australian Honey Board as additional financing for its operations.

Set up in 1962, the Board has been successful in its main tasks of regulating exports and promoting the product at home and abroad. Its activities have always been financed by domestic levies.

Exports, now accounting for 40 percent of production, have been previously exempted from an export tax to encourage overseas trading. Now it is believed exports should carry their share of the Board's costs. These costs have risen in the past 11 years and periodic increases in the domestic levy have been made to offset the extra expenses. Last March the Board recommended to the Government that the export sector start paying its proportion of Board costs.

TOBACCO

Zairians To Take Over Tobacco Plantations

The Government of Zaire recently announced that the country's remaining tobacco plantations owned by foreigners will soon be transferred to Zairians. Management of these plantations will be supervised by TABAZAIRE (a local cigarette company) in an effort to smooth the transition.

The changeovers are expected to take place in early 1974 with payment to be made within 10 years. To determine their value, the properties will be assessed by a committee of Government officials on the basis of inventories and income tax records submitted by present owners.

The Government of Zaire wants to attain self-sufficiency in tobacco production by 1980 by doubling current annual production of approximately 2,500 metric tons. Zaire imported 3,600 metric tons of leaf tobacco in 1972 of which the United States shipped about 1,000 tons.

FRUIT, NUTS, AND VEGETABLES

Europe Buys U.S. Prunes

The Prune Advisory Committee of California reports sales through October 31, 1973, of 206 tons of California prunes to Poland.

Shipments to West Germany have doubled over last season through the same period to 2,403 tons.

Belgium's Hop Output And Acreage Increase

Due to favorable weather conditions, Belgium's 1973 hop production jumped 3 percent to 4.4 million pounds, compared with the 1972 harvest of 4.3 million. Acreage allotted to hops also increased by 3 percent to 3,015 acres.

Belgian hop exports declined from 3,628,772 pounds during 1971-72 to an estimated 2,910,000 pounds in the 1972-73 marketing year. This was primarily because of reduced hops production in 1972. About two-thirds of Belgium's exports went to East and West Germany, while only about 1 percent went to the United States. Exports of Belgian hop extract, however, were larger.

Extract exports totaled 639,775 pounds during September 1972-June 1973, a 48-percent increase over the 431,440 pounds in the same period of 1971-72. The bulk of these were destined for West Germany.

Belgian hop imports increased from 5,421,111 pounds in 1971-72 to an estimated 7,200,000 pounds in 1972-73. The majority of these imports originated in West Germany with a small amount coming from the United States.

Belgian hop extract imports for the period September 1972-June 1973 amounted to 85,318 pounds, up 35 percent from the same period the year before.

The Belgian hop crop falls under the auspices of the Common Agricultural Policy (CAP) of the European Community. Under the hops CAP, individual hops growers are

provided with a "deficiency payment" per hectare (based on hop varieties grown) at the end of the marketing year when it is determined that average gross return per hectare produced on an EC level is lower than a standard gross return.

Australia Streamlines Apple and Pear Industry

The Australian Government recently introduced legislation in Parliament to establish a new Australian Apple and Pear Corporation to replace the existing Australian Apple and Pear Board. The decision to change the structure of statutory marketing arrangements for fresh apples and pears was prompted by increasing difficulties facing the industry in the export marketing field. Among these are the large volume of exports in relation to domestic consumption, and dependence on the United Kingdom and continental markets in the past.

British entry into the European Community, increasing competition from European and other fruit exporting countries supplying the European markets, and sharply rising freight rates are some of Australia's other problems. These are now being aggravated by difficulties in finding adequate refrigerated shipping. Although all States have an interest in exports of apples and pears, the situation is most serious for Tasmania because of its heavy dependence on the export trade and its importance to the Tasmanian economy.

The Federal Government had earlier decided that restructuring of the apple and pear industry at the production level was required, including tailoring of production to needs of payable markets, introduction of new production techniques to reduce costs, and consolidation of farm units. Allied with this was the decision to form a skilled, effective, and nationally organized marketing body.

The Corporation is empowered to regulate all aspects of apple and pear production, promotion, and research leading to improved or new products, and to trade in apples and pears and their products.

New Zealand Buys U.S. Apples

The New Zealand Apple and Pear Board recently announced the purchase of apples from the United States and Canada. The U.S. share involved 24,453 cartons (all from Washington State). Purchases from British Columbia amounted to 15,000 cartons; and, from Nova Scotia, 1,200.

DAIRY AND POULTRY

Newcastle Spreads In Northern Ireland

Newcastle disease is reported to be spreading in Northern Ireland and over 220,000 birds have been slaughtered since the first outbreak was confirmed in late November. Most of the outbreaks have been in County Antrim, but a rapid spread to other areas is possible as Northern Ireland has continued a slaughter policy rather than using live vaccine as is done in England and Wales. The outbreak has caused the Irish Republic to ban imports of poultry, poultry meat, and eggs from Northern Ireland.

With 6 percent of Eire's egg supplies coming from Northern Ireland, price increases are inevitable. Consumer prices rose 2 pence per dozen immediately following the embargo. Broiler slaughter in Northern Ireland has also increased.

GRAINS, FEEDS, PULSES, AND SEEDS

Australia Sets Wheat Price

Australia's 1973-74 home consumption wheat price has been set at A$71.10 per metric ton. This is about a ½-Australian-cent boost in wheat cost in a 2-pound loaf of bread.

Sri Lanka Rubber for PRC Rice Deal Set

Sri Lanka officials have announced the People's Republic of China (PRC) will supply Sri Lanka with 200,000 tons of rice in 1974 in return for 40,000-50,000 tons of rubber.

Of the total rice, 40,000 tons will be a gift from the PRC and 30,000 tons will be in settlement of the outstanding trade balance in Sri Lanka's favor. The remaining 130,000 tons will be exchanged for Sri Lanka rubber.

Rotterdam Grain Prices and Levies

Current offer prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	Jan. 15	Change from previous week	A year ago
	Dol. per bu.	*Cents per bu.*	*Dol. per bu.*
Wheat:			
Canadian No. 1 CWRS-13.5	6.46	+13	3.25
USSR SKS-14	(1)	(1)	(1)
Australian FAQ[2]	(1)	(1)	3.06
U.S. No. 2 Dark Northern Spring:			
14 percent	6.53	+11	3.12
15 percent	(1)	(1)	3.14
U.S. No. 2 Hard Winter:			
12 percent	6.35	+10	2.97
No. 3 Hard Amber Durum	9.05	— 4	3.06
Argentine	(1)	(1)	(1)
U.S. No. 2 Soft Red Winter	(1)	(1)	(1)
Feedgrains:			
U.S. No. 3 Yellow corn	3.45	+ 3	2.21
Argentine Plate corn	3.91	+14	2.40
U.S. No. 2 sorghum	3.36	— 3	2.27
Argentine-Granifero sorghum	3.31	— 5	2.26
U.S. No. 3 Feed barley	3.10	+18	2.03
Soybeans:[3]			
U.S. No. 2 Yellow	7.18	+28	5.57
EC import levies:			
Wheat[4]	[5] 0	0	.78
Corn[6]	[5] 0	0	.63
Sorghum[6]	[5] 0	0	.55

[1] Not quoted. [2] Basis c.i.f. Tilbury, England. [3] New crop. [4] Durum has a separate levy. [5] Levies applying in original six EC member countries. Levies in U.K., Denmark, and Ireland are adjusted according to transitional arrangements. [6] Italian levies are 18 cents a bu. lower than those of other EC countries.

Note: Price basis 30- to 60-day delivery.

Other Foreign Agriculture Publications

- U.S. Trade in Livestock and Meat Products Continues High in October (FLM-21-73)

Single copies may be obtained free from the Foreign Agricultural Service, USDA, Washington, D.C. 20250, Rm. 5918 S.; Tel.: 202-447-7937.

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FRANCE UPS IMPORTS OF ALL MAJOR CITRUS FRUITS

France's citrus consumption continues to increase as fiscal 1973 imports jumped 17 percent over those of the previous year. Although U.S. citrus fruits account for only 4 percent of the French market, imports from the United States were up 10 percent. Imports of U.S. oranges declined, while quantities of U.S. lemons and especially grapefruit increased.

Spain dominated the orange and lemon market—supplying quantities of these fruits about twice as large as the second place supplier.

Total French citrus imports in fiscal 1973 were 1,091,843 tons—up from 935,012 tons the previous year. Fresh citrus imports from the United States were 45,300 tons—one-tenth more than the 41,287 tons imported in 1971-72. (All tons are metric.)

France imported more of each major citrus fruit in 1972-73 than in the previous fiscal year. Imports of oranges were 700,262 tons (+14 percent); grapefruit, 75,362 tons (+10 percent); lemons, 108,367 tons (+12 percent); while those of other citrus fruits totaled 207,852 tons (+31 percent).

• **Oranges.** Spain supplied 57 percent (397,400 tons) of the French orange market—a total about one-third larger than the previous year's 297,997 tons. Other major suppliers were Algeria and Morocco with a combined total of 176,692 tons, South Africa with 40,093 tons, and Israel with 38,421 tons.

Orange imports from the United States were only 5,208 tons, compared with 7,141 tons in fiscal 1972. This decline was attributable mainly to large supplies from the Mediterranean countries—especially Spain.

• **Grapefruit.** Israel supplied nearly 57 percent of the grapefruit market in fiscal 1973. Imports from that country were 42,798 tons, compared with 40,154 tons the previous year. The United States supplied 13,633 tons—a 45-percent increase over the 1972 volume. Imports from South Africa were 6,726 tons.

• **Lemons.** Imports in fiscal 1973 were 108,367 tons compared with 96,722 tons the previous year. Spain supplied 47 percent of the market with imports totaling 50,749 tons, compared with 25,907 tons in the previous fiscal year. This was an increase of about 50 percent.

The jump in Spanish lemon imports compensated for the lack of Italian lemons which—because of bad weather—were in short supply. Imports from Italy dropped from 21,802 tons in 1971-72 to only 2,181 tons in 1972-73.

The United States was second only to Spain—supplying 26,475 tons of lemons compared with 24,752 tons in 1971-72.

USSR's 1974 Farm Goals Call for Record

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creased 17.3 percent .The 1974 growth in real per capita income previously had been set at 5.5 perecnt. The average wage of industrial and office workers is planned to rise 3.6 percent this year, and the average earnings of collective farmers 6.1 percent.

Total industrial production is scheduled to grow 6.8 percent in 1974, after expanding 7.3 percent in 1973. The original goals set increases of 7.8 percent for last year and 8.6 percent for this year, but the former was revised to 5.8 percent. The 1971-73 industrial output growth was 23.1 percent, compared to the 24.4 percent first planned.

Production of consumer goods is supposed to expand at a faster rate than heavy industry this year. Despite earlier plans, outturn did not rise during the previous 2 years. Food industry output is planned to be 7.6 percent larger than in 1973 and includes increases of 24 percent for vegetable oil, 20 percent for beet sugar, and 7.6 percent for meat.

In planning for 1974, much attention reportedly was given to the fuel and energy industries. A "normal and uninterrupted supply" of fuel and electricity was promised, but it was said that the country should conserve fuel. Outputs of oil, gas, and electricity were reported to be lagging behind original goals and the ministries involved were asked to work more effectively.

The 1975 targets for both the entire economy and for the agricultural sector apparently can be met only with outstanding performances in 1974 and 1975.

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